

SOLDIER BONUSES

AREA OF INTEREST: CURRENT READINESS FY07 UFR: \$252M APPN: NGPA

DESCRIPTION: The ARNG Bonus and Incentives program provides financial incentives used to attract and retain quality Soldiers who either possess a critical skill or qualify for training in a critical skill needed in wartime, and to sustain membership through retention in order to maintain readiness in the ARNG.

ISSUE JUSTIFICATION: The expanded authorities from the FY 2005 and FY 2006 National Defense Authorization Acts (NDAA) made a significant impact on the ARNG Bonus and Incentives program. Increased dollar amounts, expanded payment options, plus the authorization of higher bonus amounts for certain Selected Reserve soldiers have created a significant shortfall in the FY07 budget request.

The maximum amount for non-prior service enlistment bonus increased from \$10K to \$20K. The ARNG projects to pay nearly 5,000 Soldiers at the maximum amount to help fill the ARNG's top 10 critical MOS'. Over 3,500 new enlistees will receive bonuses ranging from \$5K to \$15K depending on their term of enlistment and specialty. Over 10,000 Soldiers will receive payments in FY07 from their FY06 enlistments. Initial payments are made after the soldier completes their initial training and those who enlist toward the end of the FY will typically complete their training in the following FY. Anniversary payments from previous years also continue to grow.

FUNDING IMPACT: Bonuses and incentives are a critical component of the ARNG's strategy to achieve authorized end strength and retain trained and experienced Soldiers. Increasing the bonus amounts and payment schedules is having a positive impact on current recruiting and retention challenges. The expanded authorizations in the FY 2006 NDAA continues this positive trend, but without the additional funding to fully utilize this program, end strength and retention will suffer.